



*USA Rice Federation is the national advocate for all segments of the rice industry, conducting activities to influence government programs, developing and initiating programs to increase worldwide demand, and providing other services to increase industry profitability.*

**Charter Members**

U.S. Rice Producers' Group \* Rice Millers' Association \* USA Rice Council

---

## **CAFTA-DR Increases Access for U.S. Rice**

*The CAFTA-DR countries – Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Dominican Republic – represent one of the top-5 regional markets for U.S. rice exports. Current annual sales are about 700,000 tons, but CAFTA-DR countries heavily restrict imports to rough rice, denying consistent and meaningful access for U.S. milled rice. CAFTA-DR provides for immediate guaranteed market access for all forms of U.S. rice and duty free access over 18-20 years.*

### **USA Rice Urges Your Support For –**

- ***Congressional approval of CAFTA early in 2005.***
- ***A “no exclusions policy” for agricultural products in future FTAs. No commodity can be “off the table” in trade negotiations.***

### **CAFTA Means Opportunity, Growth and Choice**

- The CAFTA-DR agreement locks in access to a huge and growing market for U.S. rice. CAFTA-DR sets minimum limits of access for U.S. rice.
- Discrimination against milled rice imports by the CAFTA-DR governments will end. The market and consumers will determine U.S. rice exports to the region.
- The agreement strengthens the ability of consumers to choose between rough and milled rice while maintaining and expanding access for all U.S. rice.
- CAFTA provides advantages for U.S. rice only; no other international supplier will benefit.

***Please see the next page for more information on the CAFTA and U.S. rice***

---

### **Key CAFTA Provisions for U.S. Rice**

- Duties on all types of U.S. rice will phase out over 18-years; 20 for Costa Rica and the DR.
- Each CAFTA country will establish tariff rate quotas for rough and milled rice. There will be no duties charged to imports within the TRQs; imports over the TRQs will be assessed the duties in effect on January 1, 2003 (20% to 35% on paddy and 30% to 45% on milled)
- TRQs for milled rice will increase 5% a year, except in the Dominican Republic, where growth will range from 3% to 6.5% annually. U.S. rice food aid (milled rice) will not count against the milled rice TRQs. TRQs for rough rice will increase 2% annually in Costa Rica, El Salvador and Honduras; 3% in Nicaragua; and 5% in Guatemala.
- Importing countries will manage the TRQs. The U.S. negotiated “performance requirements” that are designed to ensure that the TRQs are managed so that they fill.

### **Tariff Rate Quotas for U.S. Rice under CAFTA, and Historic and Current Trade Levels**

|                           | CAFTA TRQ levels in<br>year 1 | 2001-2003 average U.S.<br>exports | 2004 Exports      |
|---------------------------|-------------------------------|-----------------------------------|-------------------|
| <b>Costa Rica</b>         |                               |                                   |                   |
| Rough                     | 50,000                        | 103,521                           | 189,670           |
| Milled                    | 5,000                         | 1,664                             | 1,114             |
| Total                     | 55,000                        | 105,185                           | 190,784           |
| <b>Dominican Republic</b> |                               |                                   |                   |
| Rough                     | 0                             | 2,753                             | 10,943            |
| Milled                    | 10,700                        | 4,933                             | 78,703            |
| Total                     | 10,700                        | 7,686                             | 89,246            |
| <b>El Salvador</b>        |                               |                                   |                   |
| Rough                     | 61,000                        | 81,505                            | 69,134            |
| Milled                    | 7,500                         | 21,768                            | 0                 |
| Total                     | 68,500                        | 103,273                           | 69,134            |
| <b>Guatemala</b>          |                               |                                   |                   |
| Rough                     | 52,000                        | 49,553                            | 70,482            |
| Milled                    | 10,000                        | 8,477                             | 6,209             |
| Total                     | 62,000                        | 58,030                            | 76,691            |
| <b>Honduras</b>           |                               |                                   |                   |
| Rough                     | 90,000                        | 129,193                           | 138,925           |
| Milled                    | 8,500                         | 5,582                             | 3,375             |
| Total                     | 98,500                        | 134,775                           | 142,300           |
| <b>Nicaragua</b>          |                               |                                   |                   |
| Rough                     | 90,000                        | 117,853                           | 134,506           |
| Milled                    | 13,000                        | 26,964                            | 11,751            |
| Total                     | 103,000                       | 144,817                           | 146,257           |
| <b>Total</b>              |                               |                                   |                   |
| <b>Rough</b>              | <b>343,000</b>                | <b>484,378</b>                    | <b>613,660</b>    |
| <b>Milled</b>             | <b>54,700 1/</b>              | <b>69,388 2/</b>                  | <b>101,152 3/</b> |
| <b>Total</b>              | <b>397,700</b>                | <b>553,766</b>                    | <b>714,412</b>    |

1/ Does NOT include U.S. food aid. U.S. food aid shipments will not count against the milled rice TRQs. 2/ Includes approx. 13,000 tons of food aid. 3/ Includes approx. 7,800 tons food aid.

For more information, please contact:  
 Bob Cummings, (703) 236-1473, and [rcummings@usarice.com](mailto:rcummings@usarice.com)